



Department of Justice

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AT
(202) 616-2771
TDD (202) 514-1888

**JUSTICE DEPARTMENT SUPPORTS PLAN TO ALLOW US WEST TO PROVIDE
LOCAL AND LONG DISTANCE SERVICE OUTSIDE OF ITS CURRENT REGION**

**MARKS THE FIRST TIME A BELL COMPANY CAN PROVIDE
LONG DISTANCE SERVICE OUT OF REGION**

WASHINGTON, D.C. -- In a move designed to increase competition in the telecommunications industry, the Justice Department today filed a motion to allow US West Inc. to provide long distance telephone service outside of its 14 state region to customers outside of its region who sign up for US West's planned local telephone services.

If approved by the court, the plan would mark the first time a Bell operating company could provide a full range of long distance services outside of its local monopoly service area.

Previously, the Department supported a plan by another Bell operating company, Ameritech, to offer long distance phone services to customers within its region on a trial basis.

The Department filed its motion with Judge Harold Greene of the U.S. District Court in Washington, D.C., who oversees the 1982 AT&T consent decree, known as the modification of final judgment or MFJ. The decree provided for the break up of AT&T and barred the so-called Baby Bells from the long distance market.

Today's motion would modify the MFJ to allow US West, headquartered near Denver in Englewood, Colorado, to provide long

distance services. The Department, US West and AT&T Corp. have jointly filed a stipulation with the court stating that the modification would be in the public interest.

This is the second time the Department of Justice and AT&T have supported modifications to the MFJ that would permit a Bell operating company to offer a full range of long distance services.

In April of this year, the Department supported a plan that would allow Ameritech Corp. to offer long distance services on a trial basis to customers in Chicago and other areas within its service area, following the development of local competition within those areas. That request is currently pending before Judge Greene.

Currently, none of the bell operating companies are permitted to provide a full range of long distance services to customers, either inside or outside of their telephone service regions.

US West through its investment in Time Warner Entertainment Co. and direct acquisitions of out-of-region cable television systems, is planning to offer a competitive alternative to the monopoly providers of local telephone service in areas outside of US West's current service area. US West said it will use its recently acquired cable system to compete with BellSouth to provide local telephone service in the Atlanta area.

The Department said that the ability to offer long distance services to customers who choose US West's competitive local telephone service is likely to make those services more attractive to customers, and encourage the development of

competition with the incumbent monopoly provider of local telephone service in the markets that US West will enter.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "Genuine competition in local telephone service provides two benefits to consumer--that competition is good for consumers of local services, and also helps protect competition in the long distance market, which has already led to lower rates and better service to long distance customers."

The proposed modification will not allow US West to provide long distance service to customers within its current service area, where US West will have a monopoly on local service. The MFJ restriction on the provision of long distance service by the Bell operating companies is based on their control of monopolies in local service and the potential for abuse of those monopolies to gain advantage in competitive markets such as the long distance market.

In order to limit the risk that US West could use its monopoly position in its current service area to impede competition in the long distance market, certain restrictions will apply. Under the proposed modification of the MFJ:

- US West's long distance operations would be separated on a structural and accounting basis from its current monopoly telephone operations.

- US West's new, competitive local services would have to offer equal access and give customers the ability to presubscribe to their chosen long distance carrier.

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- Long distance telephone calls to areas within US West's current monopoly service areas would have to be routed through unaffiliated long distance carriers.

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